

Policy Brief

## College Affordability Adrift: Florida's Bright Futures Program Faces \$347 Million in Cuts by 2017-18

### FLORIDA

What had been a quiet 2014 legislative session with regards to student financial aid in Florida changed suddenly amid Tampa Bay Times and Miami Herald reports that an inquiry into Florida's Bright Futures Scholarship Program has been reopened by the U.S. Department of Education's Office for Civil Rights for potentially violating fairness standards. The primary issue called into question by the federal investigation is whether ACT and SAT test score requirements, one of the state's criteria to determine eligibility for the merit scholarship, has the effect of discriminating against students on the basis of national origin and race.

While the federal probe into Bright Futures has attracted state and national headlines, the news is hardly new. Reports on the disparate impact of Bright Futures and similar broad, merit-based, state-funded scholarships date almost as far back as the programs themselves. Clear evidence from multiple studies has shown that students most likely to benefit from such scholarships are those least likely to require the help. Our own analysis in 2011 showed that nearly 30% of Bright Futures dollars was awarded to students from families earning over \$100,000.

At the moment, it is unclear what impact the federal investigation will have on Bright Futures. What is clear, however, is that based on previously-scheduled cuts to Bright Futures, the college aid program is soon poised to become a mere shadow of itself in a matter of just four short years. After reaching a peak funding level of \$429 million in 2008-09, recent projections from the March 2014 Florida Office of Economic & Demographics' Student Financial Aid Estimating Conference forecast that by 2017-18, Bright Futures will be reduced to \$180 million.

The heightened eligibility requirements become effective this year, during a time when expanding access to higher education and minimizing the cost of college for students and families have been identified as priority areas by the Florida Senate, House of Representatives, and the Governor. Without action in the 2014 Florida legislative session, cuts to Bright Futures over the next four years are projected to exceed \$347 million dollars. At its peak, the program provided college scholarships to 1 in 3 high school graduates. Estimates now show that only 1 in 8 high school graduates will benefit from the program this school year once significant increases to test score requirements are enforced. This translates to approximately 20,000 less graduating seniors qualifying for Bright Futures compared to just a year ago.

The impact of these cuts to Bright Futures comes at a time when college affordability in our state is a hot-button issue. The Florida College Access Network urges our state's leaders to roll back Bright Futures eligibility criteria to last year's levels. This would allow time for leaders in Tallahassee to undertake a comprehensive analysis of the state's financial aid policy with the goal to craft legislation that will best leverage state resources. While our elected officials correctly tout the benefits of postsecondary education and the importance of making college affordable, our state's flagship student aid program is set to undergo truly devastating cuts, sending contrary messages to Florida students.

Florida College Access Network's mission is to create and strengthen a statewide network that catalyzes and supports communities to improve college & career preparation, access, and completion for all students.



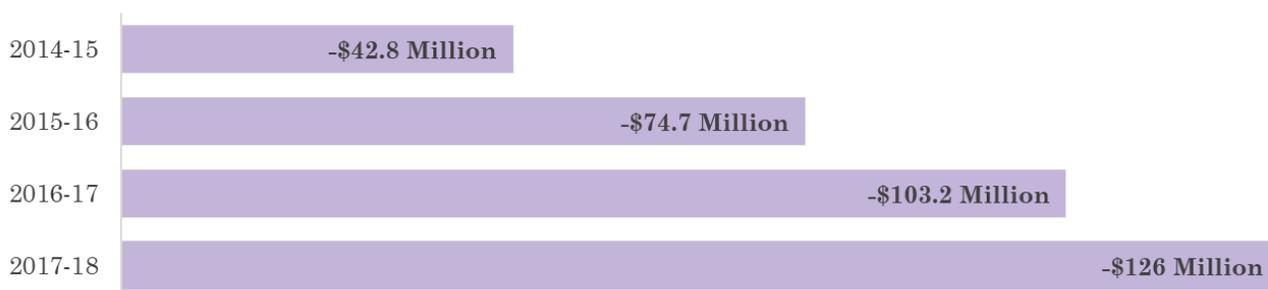
## Cuts, Changes and Confusing Eligibility Criteria Call the Future of Bright Futures into Doubt

What do today's high school seniors need to do to qualify for the Florida Bright Futures Scholarship Program? If you don't know the answer, you can hardly be blamed. The test score requirements for Florida Medallion Scholars (FMS), the most popular award level of Bright Futures, have changed three times in the last three years and are scheduled to change again for this year's graduating class. Happen to know how much the scholarship is worth to students who earn it? That answer is literally impossible to answer without help from a reference sheet and a calculator.<sup>1</sup> There are currently *eleven different funding levels* of Bright Futures depending on what award level students qualify for and what type of institution they attend. These award amounts, which currently stand at \$44 to \$103 per credit hour, have also changed in recent years and might possibly change again depending on budget appropriations this legislative session.

The confusion is unfortunate because the program's most popular level, Florida Medallion Scholars, can provide \$9,240 in aid over four years at an in-state four-year institution, which is a substantial amount.<sup>2</sup> To receive the scholarship, students must meet each of the state's mandated eligibility requirements, including completing specified coursework, earning a specified grade point average and standardized test score (ACT or SAT), community service hours and successful completion of the state's financial aid application.<sup>3</sup>

While the program's complexity poses its own challenges, the most pressing issue related to Bright Futures is the sweeping changes to eligibility criteria for this year's graduating seniors. Students graduating from high school, beginning with the Class of 2014, are required to achieve significantly higher test scores on the ACT and SAT. To receive a Florida Medallion Scholars award, high school students graduating in 2014 must submit a minimum 1170 SAT or 26 ACT score, which is substantially higher than the 1020 SAT or 22 ACT score required of the previous year's graduates.<sup>4</sup> The new criteria are projected to cut program costs by 15% for the next fiscal year. However, as Table 1 illustrates, the full effects of these cuts won't be fully realized until years from now when award earners currently in college phase out and smaller cohorts of scholars are phased in.<sup>5</sup>

**Table 1: Projected Change in Bright Futures Scholarship Program Costs from FY 2014-15 to 2017-18**



Source: Office of Economic & Demographic Research, Education Estimating Conference on Student Financial Aid, March 2014

Estimates from the March 2013 Office of Economic & Demographics' Student Financial Aid Estimating Conference show that only 21,340 of this year's 180,129 high school graduates are likely to meet eligibility criteria for Bright Futures – 48% less than the number of graduating seniors who qualified in 2013. This

<sup>1</sup> 2013-14 award amounts for Bright Futures can be found here: <http://www.floridastudentfinancialaid.org/ssfad/bf/awardamt.htm>.

<sup>2</sup> \$9,240 is calculated by multiplying the FMS award level for students attending four-year institutions (\$77 per credit) times 120 credits to receive a degree. Eligible students can receive the scholarship for no more than 100% of their program, which if over 120 credits may be a larger amount.

<sup>3</sup> A chart with past, present and future eligibility criteria for initial eligibility can be found [here](#).

<sup>4</sup> Florida Statutes show 2012-13 test score levels are equivalent to a 51<sup>st</sup> percentile ranking, while 2013-14 test score levels are in the 75<sup>th</sup> percentile. Both rankings are relative to all high school test takers in 2010.

<sup>5</sup> Because students are required to meet eligibility requirements before graduating, students already receiving the scholarship (renewals) won't face this hurdle.

will be the lowest number of initial awardees *ever* – lower than even the first year the program was implemented in 1997 when there were only 104,000 graduating high school seniors compared to an estimated 180,129 this year.

In total, cuts to Bright Futures over the next four years are projected to exceed \$347 million dollars and impact over 80,000 high school graduates in our state who would have been eligible for the scholarship had they graduated just one year earlier. These projections do not include the \$116 million cut from the program from 2011 to 2013. Unless the Florida Legislature acts to roll back eligibility requirements to last year's levels, Bright Futures, in just a few short years, will share little resemblance to the program as we now know it. The sweeping change to Bright Futures is particularly curious considering the inspiration for the program almost 20 years ago.

### **Bright Futures' Trademark Medallion Scholars Program a Victim of the Great Recession and its Own Success**

*Bright Futures was created to boost the state's level of degree attainment by encouraging better preparation for college and making it more affordable*

Florida was facing a number of problematic higher education policy issues in the 1990s, including access, financial aid, faculty productivity and bachelor's degree production. "We were getting beat up everywhere in the nation in terms of relative production of baccalaureate degrees," said John Winn, who at the time served as coordinator for policy research for the Florida Department of Education. According to the Postsecondary Education Planning Commission, Florida ranked 45<sup>th</sup> in the nation in awarding bachelor's degrees and 47<sup>th</sup> in the proportion of nineteen year olds in college in 1996.<sup>6</sup>

It was in this context that Bright Futures was established in 1997. Bright Futures was preceded by two state-sponsored merit aid programs: the Florida Undergraduate Scholars Fund for students on an academic track, and the Vocational Gold Seal Scholarship for students on a vocational track. These programs, which were later renamed, were folded into Bright Futures upon its formation. What made Bright Futures special and noteworthy at the time was not the two programs already in existence, but the then-new Florida Merit Scholars, which was designed to expand participation in the state's merit-based aid program.<sup>7</sup>

Florida Merit Scholars, now called Florida Medallion Scholars (FMS), has been the primary target of policy changes since the late 1990s. Calls for raising the minimum test score requirements of FMS, which were 970 on the SAT and 20 on the ACT initially, were heard almost from the program's launch. A state commission baseline evaluation of Bright Futures written in December 1999 included a recommendation to raise FMS eligibility scores to 1020 on the SAT and 22 on the ACT; however, the Florida legislature opted not to raise score requirements at that time.<sup>8</sup> This was because reasonable test score requirements were set *intentionally* to encourage more students to take more rigorous coursework, expand access to postsecondary education and help the state raise its degree attainment rate which, at the time, was one of the lowest in the nation. The test score levels and award amount – the equivalent of 75% of tuition and

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<sup>6</sup> Johnson, Larry and Kathryn M Borman, "Competing Agenda for University Governance: Placing the Conflict Between Jeb Bush and Bob Graham in Context." *Education Reform in Florida: Diversity and Equity in Public Policy*. Eds. Kathryn M. Borman and Sherman Dorn. Albany: State University of New York Press, 2007.

<sup>7</sup> Zhang, Liang, Shouping Hu and Victor Sensenig, "The Effect of Florida's Bright Futures Program on College Enrollment and Degree Production: An Aggregated-Level Analysis," *Research in Higher Education*, November 2013, <<http://link.springer.com/article/10.1007/s11162-013-9293-8>> Zhang, Hu and Sensenig>.

<sup>8</sup> Florida Postsecondary Education Planning Commission, "Florida's Bright Futures Scholarship Program: A Baseline Evaluation," December 1999, <<http://www.cepri.state.fl.us/pdf/bffin.pdf>>.

fees at a four-year institution – were intended to provide powerful incentives to encourage more Florida students to prepare for and pursue education beyond high school.

Bright Futures appeared to work as intended in the early years of the program. A report from the Office of Program Policy Analysis and Government Accountability (OPPAGA) in 2003 found that Bright Futures had contributed to improved college preparation, affordability and enrollment during the first years of the program.<sup>9</sup> The cumulative effect of each of these changes over time, including increases in high school enrollments and graduation rates, resulted in higher program costs as Bright Futures matured.

*Economic downturn resulted in budget cuts, heightened eligibility criteria*

Nevertheless, calls to raise the eligibility criteria for the popular program were largely unheeded until the nationwide economic crisis that began in 2007. Because Bright Futures is funded by the Florida Education Enhancement Trust Fund (EETF) – in other words, by lottery ticket sales – its revenue is particularly vulnerable to changes in the economy. With the state facing a \$3.5 billion deficit, exploring ways to reform Bright Futures was warranted. Projections at the time estimated EETF would not reach 2007 levels again until after 2016.<sup>10</sup> Florida Medallion Scholars, the most popular (and costly) award level, thus became the largest target for cuts. Increasing eligibility standards, just one of several policy options available for making budget reductions, became the preferred route for reducing program costs.

**Table 2: Florida Bright Futures Scholarship Program Selected Student, Eligibility and Total Cost Data: FY 2008-09 to 2017-18**

Postsecondary Academic (Fiscal) Year	High School Graduation Year	Estimated Public and Private H.S Grads from Previous Acad. Year	Initially Eligible Bright Futures Students Disbursed	Percentage of High School Graduates Disbursed	Total Program Cost	Required SAT/ACT Score to Earn FMS Award	Required SAT/ACT Score to Earn FAS Award
2008-09	2007-08	164,258	52,497	32%	\$429,012,109	970 SAT / 20 ACT	1270 SAT / 28 ACT
2009-10	2008-09	169,393	53,520	32%	\$423,532,776	970 SAT / 20 ACT	1270 SAT / 28 ACT
2010-11	2009-10	172,349	53,800	31%	\$423,269,544	970 SAT / 20 ACT	1270 SAT / 28 ACT
2011-12	2010-11	173,088	51,751	30%	\$333,832,498	970 SAT / 20 ACT	1270 SAT / 28 ACT
2012-13	2011-12	172,273	44,846	26%	\$312,150,590	980 SAT / 21 ACT	1270 SAT / 28 ACT
2013-14	2012-13*	177,947	41,107	23%	\$306,900,000	1020 SAT / 22 ACT	1280 SAT / 28 ACT
2014-15	2013-14*	180,129	21,340	12%	\$264,100,000	1170 SAT / 26 ACT	1290 SAT / 29 ACT
2015-16	2014-15*	185,444	21,613	12%	\$232,200,000	1170 SAT / 26 ACT	1290 SAT / 29 ACT
2016-17	2015-16*	180,895	21,430	12%	\$203,700,000	1170 SAT / 26 ACT	1290 SAT / 29 ACT
2017-18	2016-17*	183,277	21,711	12%	\$180,400,000	1170 SAT / 26 ACT	1290 SAT / 29 ACT

Source of scholarship data from Fiscal Year 2008-09 to 2012-13 is the Florida Department of Education, Office of Student Financial Assistance. Data from Fiscal Year 2013-14 to 2017-18 are projections based on the Office of Economic & Demographic Research, Student Financial Aid Estimating Conference from March 2014. A complete table with Bright Futures program data can be found in the Appendix.

As a result, in 2009 and 2010 the Florida Legislature passed sweeping changes to Bright Futures. Award levels for all Bright Futures programs were changed from fixed amounts to flat rates, and eligibility criteria were raised.<sup>11</sup> As a result, the program’s cost went from a peak of \$429.2 million in 2008 to \$306.9 million in 2013 – a 28% reduction (see Table 2). During those years, tuition at Florida colleges and universities

<sup>9</sup> Office of Program Policy Analysis and Government Accountability, “Bright Futures Contributes to Improved College Preparation, Affordability, and Enrollment,” February 2003, <<http://www.oppaga.state.fl.us/reports/pdf/0317rpt.pdf>>.

<sup>10</sup> Knapp, Colin A., “An Evaluation of Florida’s Bright Futures Scholarships in a Fiscally Constrained Era,” James Madison Institute, February 2012, <[http://www.jamesmadison.org/wp-content/uploads/Backgrounder\\_BrtFuturesSchlrshpEval\\_KnappFeb12.pdf](http://www.jamesmadison.org/wp-content/uploads/Backgrounder_BrtFuturesSchlrshpEval_KnappFeb12.pdf)>.

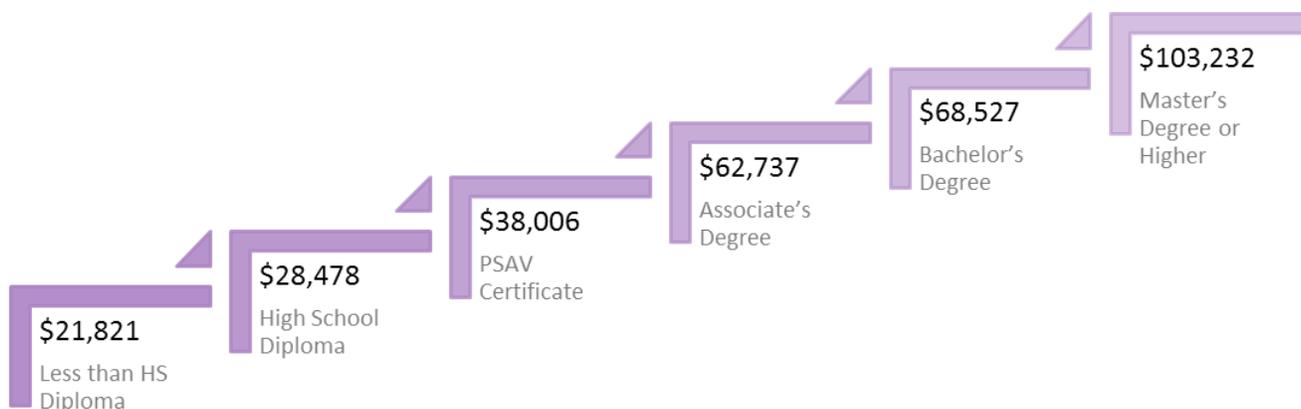
<sup>11</sup> These are not the only changes that took place during that time, just the most notable. For a more complete listing of policy changes to Bright Futures, visit the Office of Student Financial Assistance landing page for legislative updates and history here: <http://www.floridastudentfinancialaid.org/ssfad/bf/newsrenew.htm>.

conversely rose across the board. For example, tuition and fees increased at public four-year institutions by 56%, from \$4,062 in 2008 to \$6,336 in 2013. Access to the scholarship program thus dropped at the same time that the cost to attend college grew.

### Leadership is Needed to Ensure Higher Education, Economic Opportunities are in Reach for Florida Families

The value and need for a highly educated and skilled workforce in our state has been emphasized by both the Florida Legislature and the Governor during this year’s legislative session. The House and Senate’s Joint Work Plan lists expanding opportunities through education as part of its 5-point agenda, while the Governor has emphasized his goal of affordable tuition during recent public appearances, including his State of the State Address.<sup>12,13</sup> These policy goals are on-point: a postsecondary degree or credential is now a virtual pre-requisite to earning a middle-income wage in today’s economy. As seen below in Table 3, Florida workers with no more than a high school diploma earn just \$28,478 on average annually, yet wages rise significantly with increased educational attainment. Because higher education has a major impact on the economic and social well-being for individuals and the state as a whole, affordable tuition is a warranted priority of our state’s lawmakers. Indeed, Florida will be at a competitive disadvantage if our next generation of young people are undereducated.

**Table 3: Average Annual Wage by Training Level: 2013**



Source: Florida Department of Economic Opportunity, Bureau of Labor Market Statistics

Yet tuition is not the only issue requiring legislative attention if more students are to afford college; financial aid like Bright Futures is a critical piece of the equation. For example, how will steep reductions to state aid programs like Bright Futures effect our students’ college-going rates, which have dropped from 60% to 58% in the last five years?<sup>14</sup> And when 80,000-plus students miss out on thousands of dollars of Bright Futures scholarships over the next four years, where will they get funding to offset the cost of college? Our state’s loan default rate is already 16.2%, which is 10<sup>th</sup> highest in the country.<sup>15</sup> Indeed, how many of these students will not pursue college at all, and how will that affect Florida’s postsecondary attainment rate in the long-term? Is using our state’s precious student aid dollars to award scholarships to an increasingly wealthy tier of students, whom studies show perform better on the SAT and ACT as a

<sup>12</sup> Florida House and Senate Joint 2014 Work Plan, <https://www.flsenate.gov/UserContent/Topics/WorkPlanFlorida2014/2014-0129-WorkPlan2014Outline.pdf>.

<sup>13</sup> Governor Rick Scott’s 2014 State of the State Address, <http://www.flgov.com/2014/03/04/gov-scott-lets-keep-working/>.

<sup>14</sup> Source: Florida Department of Education. College-going rate reflects percentage of public high school graduates attending a public postsecondary institution within 16 months of receiving a regular diploma.

<sup>15</sup> Reflects FY 2010 3-Year Official Cohort Default Rates by State/Territory, calculated July 28, 2013.

group compared to their lower-income peers, a sensible policy for increasing degree attainment during a time when employers demand more highly-skilled and educated workers?<sup>16</sup>

There can be no question that the cuts to Bright Futures will alter the path to higher education for thousands of Florida students. A spring 2013 survey by University of Florida researchers showed 88% of parents with children in our state intend for their kids to go to college, but less than a third believe higher education in our state is affordable.<sup>17</sup> This gap could very well widen if no action is taken to align our student aid policies with our state’s vision to increase our economic base through improving financial access to higher education.

## Discussion and Policy Recommendations

Despite the difficult economic challenges and their impact on policy decisions over the last few years, there is reason for optimism moving ahead. Florida high school graduation rates have steadily risen and now stand at 75.6%. Florida public schools are in the process of implementing new K-12 academic standards and a new assessment system intended to better prepare students for college and career opportunities. A new report released in January 2014 titled, “*Higher Ed Pays: Measuring the Economic Security of Florida’s Postsecondary Graduates*,” now shows important workforce and economic outcomes of all public postsecondary institutions to help students and parents make better informed college-going decisions.<sup>18</sup> Our Florida College System institutions are recognized nationally for high achievement and excellence by such esteemed institutions as the Aspen Institute and are making strides in providing \$10,000 bachelor’s degrees in high-demand fields. State University System institutions have also seen graduation rates and degree production rise while establishing new partnerships to increase the number of graduates in high-priority fields like computer and information technology.

### **Our recommendations to ensure our current and future students can afford postsecondary education and training opportunities:**

1. Roll back Bright Futures test score eligibility to last year’s levels, and
2. Establish an independent advisory board with the charge of evaluating the full spectrum of current state aid programs, studying their demonstrated and projected economic impact, and recommending research-informed policy changes to better leverage student financial aid dollars.

To ensure that this year’s graduating class of 180,000-plus students can afford a postsecondary education, our first recommendation is to roll back Bright Futures test score eligibility requirements to last year’s levels. After reaching a high point in 2006, when 1 in 3 high school graduates earned a Bright Futures scholarship, we are now at 23%, a little less than 1 in 4. That number is projected to decrease dramatically to just under 1 in 8 under the eligibility requirements taking effect this year. Resetting the test cut scores to last year’s level, which was the highest ever, will provide scholarships to almost 20,000 more students

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<sup>16</sup> [This report](#) published by the Florida Postsecondary Education Planning Committee in January 1997 showed education stakeholders were aware of the relationship between family influencers such as socioeconomic status and ethnicity at the time Bright Futures was first established. Further reports in the late 1990s and early 2000s published by [OPPAGA](#) and [PEPC](#) show that these issues continued to be monitored as the program matured.

<sup>17</sup> Lamm, Alexa and Erica Odera, “Public Perceptions of Higher Education in Florida,” University of Florida/IFAS Center for Public Issues Education, Gainesville, FL, <[http://www.centerpie.com/wp-content/uploads/2013/01/HigherEdFINAL\\_REVISED.pdf](http://www.centerpie.com/wp-content/uploads/2013/01/HigherEdFINAL_REVISED.pdf)>.

<sup>18</sup> A law passed in 2012 mandated the creation of an “Economic Security Report,” which resulted in [this report](#), [this database](#), and [this website](#) which shares the economic and workforce outcomes of students graduating from Florida’s public postsecondary institutions.

graduating from high school *this spring*. Doing so will also allow lawmakers time to pursue our second recommendation, described below.

For fiscal year 2012-13, our state invested \$578.6 million into 23 scholarship and grant programs serving 345,767 students pursuing postsecondary opportunities.<sup>19</sup> That doesn't include the \$538.8 million in projected spending for such programs set to take place in 2013-14.<sup>20</sup> Proposals by the Florida House and Senate on financial aid spending differ for 2014-15. The House is maintaining \$43.2 million in cuts to Bright Futures, while the Senate has passed a budget to increase Bright Futures spending by \$25 million.<sup>21</sup> Are these proposals fully leveraging these funds to grow our state's economy and provide meaningful education and workforce opportunities for Florida's students? The answer is – we don't know.

We need to have an objective, data-driven discussion about the past, present and future status of our state's financial aid programs. Therefore, our second policy recommendation is to establish an independent advisory board with the charge of evaluating the full spectrum of current state aid programs, studying their demonstrated and projected economic impacts, and recommending research-informed policy changes to better leverage student financial aid dollars. The board should have only the authority to review and recommend, not to approve programs. The advisory board should be comprised of legislative and gubernatorial appointees including State Board of Education and Florida Board of Governors members, as well as representatives from the State University System, the Florida College System, the Independent Colleges and Universities of Florida, the Council on Independent Education, the Florida Association of Student Financial Aid Administrators and the Department of Education's Office of Student Financial Assistance.

In addition to the reasons stated throughout the brief, this recommendation does not come without precedent. Recent groups charged with proposing efforts to improve higher education in Florida provided formal recommendations to state leaders, including to (1) consult with experts and analysts regarding proposed changes to state aid programs and (2) align our financial aid programs to encourage and accelerate access, graduation and time-to-degree.<sup>22</sup> Objective, data-driven analysis is greatly needed: with the exception of a few OPPAGA reports published in the early 2000s, our elected officials have had available only basic annual reports to inform decisions related to financial aid programs, with heavy consequences.<sup>23,24</sup>

The majority of our existing student aid programs were established in the 1980s and 1990s with some dating back even further, such as the Florida Student Assistance Grant in 1972.<sup>25</sup> In the last 20 to 30 years, we've looked extensively at ways to improve our higher education system, but not nearly as much at our student aid investments and whether they are achieving their desired outcomes. Despite the benefits that financial aid resources provide, without informed research demonstrating the extent of their value, these programs will continue to be vulnerable to cuts. Furthermore, the U.S. Department of Education's

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<sup>19</sup> Florida Department of Education, Office of Student Financial Assistance, "Annual Report to the Commissioner: 2012-13," <<http://www.floridastudentfinancialaid.org/SSFAD/pdf/annualreportcurrent.pdf>>.

<sup>20</sup> Office of Economic & Demographic Research, Education Estimating Conference, Student Financial Aid, March 2014.

<sup>21</sup> The Senate's budget approves an additional \$25 million of Bright Futures funding to increase award levels to initial and renewal awardees by 9.4%. To see the proposed new award levels, see [Senate Bill 2500](#).

<sup>22</sup> See final reports from Florida Blue Ribbon Task Force on State Higher Education Reform and Higher Education Coordinating Council.

<sup>23</sup> The Postsecondary Education and Planning Commission (PEPC) published a number of reports and presentations, as well as a baseline evaluation of Bright Futures in 1999 using student-level data that provided evidence-based, formal recommendations to our state's lawmakers as well as provided direction for further study. The Florida Education Governance Reorganization Act of 2000 dissolved PEPC, which later transitioned to the Council for Education Policy Research and Improvement (CEPRI). View historical reports from PEPC and CEPRI (which last met in 2006) at <http://www.cepri.state.fl.us/>.

<sup>24</sup> See also, "[How Many Students in the Florida College System Receive Awards from the Bright Futures Scholarship Program](#)," published in 2013 by Florida College System Research & Analytics staff.

<sup>25</sup> For a complete listing of state aid programs, visit the Office of Student Financial Assistance's [Annual Report to the Commissioner](#).

Office for Civil Rights' investigation into the Bright Futures eligibility requirements could potentially result in a legal ruling that requires their revision. We therefore propose a coordinated, advisory review board that would:

1. *Consult with research and policy experts with the goal to develop policies that will fully leverage our state's financial aid resources.*

As tuition has risen alongside other college-going costs like room and board, many scholars, think tanks and researchers have explored how fiscal resources can be used strategically to maximize outcomes for student financial assistance. Some peer-reviewed studies have even examined Florida programs, including Bright Futures. It would behoove our state to directly engage such experts to share their knowledge and lessons learned with lawmakers.

2. *Ensure financial aid dollars promote postsecondary readiness, access and completion.*

With effective policies, our state aid programs should encourage our students to embrace rigorous coursework and set postsecondary goals at an early age. Further, we should do our best to ensure that financial limitations do not prevent our students from attending our postsecondary institutions. Maybe most importantly, we need to make it easier for students to select the college and course of study that they are most likely to complete. Currently, several private postsecondary institutions receive state aid dollars but do not make their student outcomes, academic or work-related, easily available. By the same token, millions of state aid dollars end up in the coffers of colleges with exceedingly low graduation rates. Helping our students make more informed college decisions will improve the state's economy long-term as more students complete their degrees in a timely fashion.

3. *Consult with the Office of Demographic and Economic Research to ensure current programs will be effective in serving present and future student populations.*

In the years since Florida's major financial aid programs were established, our state's population has grown in both size and diversity. We need to assess whether these decades-old financial aid policies align to the needs of 21<sup>st</sup> Century Florida's student populations and workforce needs. For example, the proportion of economically disadvantaged students attending Florida public schools has significantly increased over the past two decades. In 1997, the percentage of students receiving a free and reduced-price lunch was 43.2%. Today, it's 58.6%. Other states with similar demographics, including California, Texas and New York, allocate over 97% of their financial aid resources to students based on need, whereas Florida allocates only 30% of such funding to need-based aid.<sup>26</sup>

4. *Compare past and present projections of state's lottery revenue and its potential impact on current and future state aid program spending.*

When the first substantial cuts were made to Bright Futures, it was estimated at the time that lottery revenue levels would not again reach 2007 levels until 2016. Today's projections show a more positive outlook, with contributions to the Educational Enhancement Trust Fund (EETF) reaching near-2007 levels in 2014-15, with cumulative increases reaching almost \$120 million by 2017-18. We need to make sure present day decisions regarding state financial aid investments reflect today's revenue estimates, not those from the past.

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<sup>26</sup> National Association of State Student Grant and Aid Programs Survey, 2013.

5. *Review and revise the design and delivery of all state aid programs with the goal to lower barriers for students to participate in them.*

The eligibility criteria, application process and award amounts of our state aid programs need to be as clear and concise as possible. Research on student aid programs shows that the complexity of program eligibility and delivery can adversely affect how well programs work.<sup>27</sup> Other studies on how student choice and financial incentives impact academic outcomes have also been applied to student aid.<sup>28</sup> Unfortunately, budget cuts and other policy changes have made programs increasingly confusing and difficult to access. For example, many families cannot afford expensive prep courses designed to boost scores for standardized tests like the ACT and SAT, resulting in an advantage for wealthier families who can afford them. Moreover, these tests are often given on the weekends instead of during school time, posing barriers for students who work or lack their own transportation. If scoring highly on these tests is a state priority, our state should provide free testing opportunities and lower other barriers as have other states around the country, or else utilize other mechanisms to determine eligibility such as GPA.<sup>29</sup> Indeed, research shows that high school grades are a far better predictor of college graduation rates than standardized tests like the ACT and SAT.<sup>30</sup> ■

*The views expressed in this policy brief were developed independently and do not reflect the opinions of the universities, agencies, and funders with which the leadership team and staff are affiliated.*

The Florida College Access Network's mission is to create and strengthen a statewide network that catalyzes and supports communities to improve college & career preparation, access, and completion for all students. For more information, visit [www.floridacollegeaccess.org](http://www.floridacollegeaccess.org).



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<sup>27</sup> Dynarski, Susan and Judith Scott-Clayton, "Financial Aid Policy: Lessons from Research," National Bureau of Economic Research, January 2013, <<http://www.nber.org/papers/w18710>>.

<sup>28</sup> One such example is from Ben Castleman, a professor of education and public policy at the University of Virginia, who examined the impact of partial and full Bright Futures scholarship award levels on college entry and success. The paper can be found here: [http://curry.virginia.edu/uploads/resourceLibrary/17\\_Castleman\\_All\\_or\\_Nothing.pdf](http://curry.virginia.edu/uploads/resourceLibrary/17_Castleman_All_or_Nothing.pdf).

<sup>29</sup> Some school districts in Florida such as Hillsborough, Palm Beach and Broward offer free SAT tests.

<sup>30</sup> Bowen, William G., Matthew M. Chingos & Michael S. McPherson, "Crossing the Finish Line: Completing College at America's Public Universities," 2009, Princeton University Press.

**Appendix: Florida Bright Futures Scholarship Program Selected Student, Eligibility and Total Cost Data: 1997-98 to 2017-18**

Postsecondary Academic (Fiscal) Year	High School Graduation Year	Estimated Florida Public and Private High School Graduates from Previous Academic Year	Initially Eligible Bright Futures Students Disbursed	Percentage of High School Graduates Disbursed	Renewing Disbursed Students	Total Disbursed Students	Total Program Cost	Required SAT/ACT Score to Earn FMS Award	Required SAT/ACT Score to Earn FAS Award
1997-98	1996-97	103,700	23,710	23%	18,609	42,319	\$69,566,969	970 SAT / 20 ACT	1270 SAT / 28 ACT
1998-99	1997-88	107,700	25,343	24%	30,722	56,065	\$93,332,570	970 SAT / 20 ACT	1270 SAT / 28 ACT
1999-00	1998-99	112,200	28,529	25%	42,476	71,005	\$131,850,931	970 SAT / 20 ACT	1270 SAT / 28 ACT
2000-01	1999-00	116,950	32,255	28%	54,801	87,056	\$164,769,347	970 SAT / 20 ACT	1270 SAT / 28 ACT
2001-02	2000-01	121,400	33,050	27%	65,244	98,294	\$174,914,917	970 SAT / 20 ACT	1270 SAT / 28 ACT
2002-03	2001-02	131,600	36,834	28%	73,034	109,868	\$202,204,805	970 SAT / 20 ACT	1270 SAT / 28 ACT
2003-04	2002-03	137,100	39,921	29%	80,716	120,637	\$235,188,754	970 SAT / 20 ACT	1270 SAT / 28 ACT
2004-05	2003-04	140,600	42,994	31%	87,603	130,597	\$268,944,369	970 SAT / 20 ACT	1270 SAT / 28 ACT
2005-06	2004-05	143,300	44,960	31%	95,089	140,049	\$306,335,218	970 SAT / 20 ACT	1270 SAT / 28 ACT
2006-07	2005-06	147,700	47,216	32%	101,415	148,631	\$347,014,439	970 SAT / 20 ACT	1270 SAT / 28 ACT
2007-08	2006-07	154,693	50,499	33%	108,671	159,170	\$379,874,911	970 SAT / 20 ACT	1270 SAT / 28 ACT
2008-09	2007-08	164,258	52,497	32%	116,869	169,366	\$429,012,109	970 SAT / 20 ACT	1270 SAT / 28 ACT
2009-10	2008-09	169,393	53,520	32%	124,092	177,612	\$423,532,776	970 SAT / 20 ACT	1270 SAT / 28 ACT
2010-11	2009-10	172,349	53,800	31%	125,276	179,076	\$423,269,544	970 SAT / 20 ACT	1270 SAT / 28 ACT
2011-12	2010-11	173,088	51,751	30%	122,296	174,047	\$333,832,498	970 SAT / 20 ACT	1270 SAT / 28 ACT
2012-13	2011-12	172,273	44,846	26%	118,134	162,980	\$312,150,590	980 SAT / 21 ACT	1270 SAT / 28 ACT
2013-14	2012-13	177,947	41,107	23%	113,053	154,160	\$306,900,000	1020 SAT / 22 ACT	1280 SAT / 28 ACT
2014-15	2013-14	180,129	21,340	12%	106,233	127,573	\$264,100,000	1170 SAT / 26 ACT	1290 SAT / 29 ACT
2015-16	2014-15	185,444	21,613	12%	88,524	110,137	\$232,200,000	1170 SAT / 26 ACT	1290 SAT / 29 ACT
2016-17	2015-16	180,895	21,430	12%	73,915	95,345	\$203,700,000	1170 SAT / 26 ACT	1290 SAT / 29 ACT
2017-18	2016-17	183,277	21,711	12%	61,860	83,571	\$180,400,000	1170 SAT / 26 ACT	1290 SAT / 29 ACT

Sources: Scholarship data from Fiscal Year 1997-98 to 2012-13 is from Florida Department of Education, Office of Student Financial Assistance. Data from Fiscal Year 2013-14 to 2017-18 are projections based on the Florida Office of Economic & Demographic Research Student Financial Aid Estimating Conference from March 2014.

The Florida College Access Network’s mission is to create and strengthen a statewide network that catalyzes and supports communities to improve college & career preparation, access, and completion for all students. For more information, visit [www.floridacollegeaccess.org](http://www.floridacollegeaccess.org).

